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Virginian Denies Role In Libya Terrorism Case

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Douglas M. Schlachter Sr. yesterday pleaded not guilty in federal court here to charges that he helped two former CIA agents supply explosives and terrorist training to Libyan dictator Muammar Qaddafi.

Schlachter, who voluntarily returned to the United States from central Africa on Sunday, appeared briefly in U.S. District Court under extraordinarily tight security measures. U.S. Marshal J. Jerome Bullock and 11 deputy marshals were posted throughout the courtroom and Schlachter appeared to be wearing a blue bullet-proof vest under his light gray suit.

Judge John H. Pratt accepted the government's recommendation that Schlachter be held on a \$500,000 bond, which Schlachter did not oppose. His attorney, Alvin C. Askew, said later that the amount of the bond "doesn't matter" because Schlachter intends to remain in the protective custody of the Marshals Service. Askew said Schlachter has told him he has been threatened.

Askew said that Schlachter plans to cooperate with federal investigators and is "going to give full disclosure of everything he did." Askew said Schlachter has told him that he believed the people he worked with in connection with the Libyan operation were either with the CIA, U.S. Navy Intelligence Command or the Pentagon.

A grand jury indictment last August charged that Schlachter, who lived in Fairfax County, coordinated shipment of explosives and terrorist training of Libyan recruits under an April 1976 contract involving Libyan officials and the two former CIA employees, Edwin P. Wilson and Frank E. Terpil.

Wilson and Terpil, both of whom are fugitives, were indicted in April 1980 on charges they exported explosives to Libya, ran a school for terrorists there which included instruction on bomb-making and attempted to carry out a \$1-million assassination contract on a Libyan expatriate.

Schlachter allegedly managed a 2,400-acre farm for Wilson in Fauquier County until August 1976, when he left to supervise the Libyan operation, the grand jury charged in the indictment in Schlachter's case.

According to Askew, Schlachter ended his business relationship with Wilson in 1977 and last spoke to Wilson, by telephone, in 1979. Askew said he has been dealing with U.S. government officials "on what [Schlachter] would be willing to do" since September, when he said he learned Schlachter had been indicted. Assistant U.S. Attorney E. Lawrence Barcella Jr., the chief prosecutor in the case, refused to comment yesterday when asked if he had bargained with Schlachter — or his lawyer — to reduce the criminal case against him in exchange for his cooperation.

Schlachter has been living in Burundi, on the northern shore of Lake Tanganyika in central Africa, where he operated an air freight service. Schlachter, a female companion and their young daughter, arrived in London on Saturday, and were met by federal officials who accompanied them to Dulles International Airport where Schlachter was met by Askew and Barcella.